

MEMORANDUM FOR THE RECORD

SUBJECT: Report dtd 13 Jan 71 of Ad Hoc Committee for Proposals To Assist Employees and Dependents in Financial Catastrophes Resulting from Medically Related Conditions

STATINTL

1. Subject report was forwarded to the Executive Director-Comptroller for his consideration. On 9 February 1971 Colonel White called Mr. Coffey together with [redacted] to his office to discuss the report.

2. Colonel White told us that the Director had not read the report, but was briefed by him on its contents and specifically the recommendations. The Director felt that the recommendations had merit and that we should try to implement them.

3. We then discussed each recommendation in paragraph 5 of the report and Colonel White had the following observations, keyed to the subparagraphs:

a. We should try to get the Civil Service Commission to have open registration periods annually to accomplish the objective of the recommendation but not use that objective as our reason. An alternative reason could be to relate to the overseas rotation when employees drop hospitalization because of the overseas medical benefits program but cannot obtain hospitalization upon return until an open period.

b. We should go ahead and investigate. We would guess that the increased cost would be negligible.

c. Elimination of the one year limit for an employee has sticky implications for the potential liability for a lifetime for anything that happened to an employee while overseas and may generate claims later in life related to previous overseas assignments. This requires further study as to how we should handle it. With regard to dependents, we should delete the word "liberally" from the penultimate line so as not to imply that the Director of Medical Services must rubberstamp each case without making a determination that payment is appropriate.

d. This was agreed to and we should implement.

e. This was agreed to and we should implement.

f. We should defer any action on this recommendation pending the

results of a study to be undertaken by the Deputy General Counsel as to the legality, feasibility, and parameters of a program for catastrophic health insurance with the Government payment of premiums or self-insurance.

g. This recommendation was not discussed.

STATINT



Executive Officer to the
Deputy Director for Support

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